

**STATEMENT BY THE CHAIRMAN, H.E. MR. TAREK AMER, GOVERNOR OF THE
CENTRAL BANK OF EGYPT AT THE OFFICIAL OPENING OF THE 25TH MEETING
OF THE COMESA COMMITTEE OF GOVERNORS OF CENTRAL BANKS.**

25TH MARCH 2022

Honorable Secretary General of COMESA, Ms. تشيليشى ميوندو كابويوى

Governors of Central Banks from COMESA Member States,

Distinguished Delegates,

Invited Guests,

Ladies and Gentlemen

Good morning

It is an honor and privilege for me to address this distinguished gathering of the 25th Meeting of the COMESA Committee of Governors of Central Banks.

I also would like to take this opportunity, at earnest, to thank the Secretary General of COMESA for providing excellent IT support that is enabling this virtual meeting, which is unique in the sense that it is the first of its kind in the forum of the COMESA Committee of Governors of Central Banks.

I also welcome you Honorable Governors to this virtual meeting, which I cannot take for granted given your busy work schedules. Indeed, your presence in this meeting is a sure testimony of our solidarity and resolve towards deeper monetary integration for COMESA region.

**Honorable Secretary General,
Distinguished Governors,
Ladies and Gentlemen,**

I would also like to thank our two institutions; COMESA Monetary Institute (CMI) and COMESA Clearing House (CCH), who, despite the very challenging times on account of Covid-19, have kept our monetary integration agenda on course. As will be presented in this meeting, CMI accomplished many activities to improve macroeconomic management and assessment of financial stability in member countries. This included, among others, writing of special reports, with content that could help member countries cope with the ravaging impact of Covid-19 pandemic.

As we are aware, the COMESA region, like elsewhere, continue to grapple with both health and economic induced impact of the Covid-19 pandemic, and now geopolitical tensions. This, together, has amplified supply chain disruptions, leading to increasing food and energy prices, which has triggered threats of a new wave of inflation pressures. The need to be more vigilant is now more apparent.

Already, major economies across the world are beginning to undertake policy reversals, tightening their policy rates. Our region will definitely be on the receiving end of this tightening global financial conditions. Capital flow reversals and disruptions in the exchange rate are consequences that await us.

To safe guard our hard-earned gains in the Monetary Integration agenda, it might be time we consider to start a systematic withdrawal of monetary accommodation and also stand ready to deal with disruptive exchange rate volatility with appropriate capital flow management measures, should the need arise.

**Honorable Secretary General,
Distinguished Governors,
Ladies and Gentlemen,**

Arising from the policy discussion during yesterday's Symposium on the role of financial integration for the promotion of export competitiveness in the COMESA region, we Governors of Central Banks in the region have a critical role to play towards achieving regional financial integration. This requires establishing macroeconomic stability, financial system soundness, introduction of compliance with various international standards and practices in the financial sector to ensure regional harmonization. The role of central banks in this process cannot be overemphasized, especially by enhancing monetary cooperation which involves macroeconomic convergence and financial system development and stability.

I would like also to highlight the importance of empowering the SMEs who make up the main economic base in our region. Indeed, African Central Banks can induce commercial banks to provide more finance facilitation to SMEs. I would like also to highlight on the importance of promoting the use of innovative tools for financial inclusion of SMEs and individuals.

African Central Banks need to speed up their efforts to furnish the information infrastructure for digitalization. In addition, they can move to ease requirements for digital financial services including standardization of products and inter-connectivity between technologies.

**Honorable Secretary General,
Distinguished Governors,
Ladies and Gentlemen,**

The agenda before us is heavy and contains reports of the 25th Meeting of the COMESA Committee of Experts on Finance and Monetary Affairs.

One of the agenda items is the status of implementation of Regional Payment and Settlement System (REPSS). I am delighted to note that a number of countries in the region have started being more active on the implementation of REPSS. I urge all COMESA member Central Banks to ensure full utilisation of the system for their intra-COMESA transaction. I also recommend that REPSS should be one useful instrument that can provide immediate benefits for African Continental Free Trade Area (AfCFTA), of which most of our member countries have recently joined.

The other agenda item is on a number of useful activities undertaken by the COMESA Monetary Institute (CMI) for enhancing monetary cooperation in our region. I have no doubt that the Institute will achieve its mission and vision, which among others, is to make our region a zone of macroeconomic and financial stability, We, therefore, need to give it all the necessary support.

You will also consider the agenda item on the efforts that are being made to ensure financial stability in our region. The objective is to ensure that our member Central Banks have the capacity to identify threats to financial system stability and to design appropriate policy responses. A sound, stable and healthy financial system is critically important to ensure efficient allocation of resources and distribution of risks, which are required to sustainably boost economic development.

I noted that you will as well consider the capacity and research activities of CMI on macroeconomic management. I have no doubt that the trainings and workshops organised by CMI enabled member central banks to have a reference tool that can be applied in macroeconomic management. The trainings have also contributed for knowledge sharing and networking among COMESA member Central Banks.

**Honorable Secretary General,
Distinguished Governors,
Ladies and Gentlemen,**

I am aware that this meeting will consider other important issues. However, I chose to highlight the most critical issues because I feel that they should urgently be implemented to facilitate our economic integration arrangement.

With these remarks, I look forward to very fruitful deliberations and recommendations that aim to uphold COMESA Monetary Integration agenda.

Thank you for your Attention